

**THE OFFICE OF REGULATORY STAFF**

**DIRECT TESTIMONY**

**OF**

**DAWN M. HIPPIE**

**February 22, 2012**



**DOCKET NO. 2012-29-C**

**Petition for a Rule to Show Cause as to Why the Certificate  
of Public Convenience and Necessity for DialTone & More,  
Inc. Should Not be Revoked for Failure to Pay into the SC  
Universal Service Fund**

**TESTIMONY OF DAWN M. HIPPI**

**FOR**

**THE OFFICE OF REGULATORY STAFF**

**DOCKET NO. 2012-29-C**

**IN RE: PETITION FOR A RULE TO SHOW CAUSE AS TO WHY THE  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR  
DIALTONE & MORE, INC. SHOULD NOT BE REVOKED FOR FAILURE TO  
PAY INTO THE SC UNIVERSAL SERVICE FUND**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND  
OCCUPATION.**

A. My name is Dawn M. Hipp. My business address is 1401 Main Street,  
Suite 900, Columbia, South Carolina 29201. I am employed by the state of South  
Carolina as the Director of the Telecommunications, Transportation, Water and  
Wastewater Department for the Office of Regulatory Staff ("ORS").

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS  
PROCEEDING?**

A. The purpose of my testimony is to present evidence that DialTone &  
More, Inc. ("DTM") has failed to make the required payments to the SC  
Universal Service Fund ("SC USF") since February 2011.

**Q. ARE TELECOMMUNICATIONS CARRIERS REQUIRED TO PAY INTO  
THE SC UNIVERSAL SERVICE FUND?**

A. Yes. Pursuant to S.C. Code Ann. § 58-9-280(E) (2) (Supp. 2010),  
telecommunications carriers under the jurisdiction of the Commission are  
required to contribute to the SC USF. The assessment is based on the revenue

1 reported and submitted by each telecommunications carrier on the SC USF  
2 Contribution Worksheet.

3 **Q. DO YOU SUPERVISE THE ADMINISTRATION OF THE SC**  
4 **UNIVERSAL SERVICE FUND?**

5 A. Yes. As part of my job duties, I review the SC USF Contribution  
6 Worksheet forms submitted by telecommunications carriers and monitor carrier  
7 compliance. I conduct collection efforts on unpaid SC USF invoices and structure  
8 payment arrangement with carriers if necessary.

9 **Q. PLEASE EXPLAIN EXHIBIT A ATTACHED TO YOUR TESTIMONY.**

10 A. Exhibit A details the unpaid monthly SC USF invoices and late fees for  
11 DTM as of the date of this testimony. The total amount owed to the SC USF by  
12 DTM is \$41,519.86.

13 **Q. WHAT RESPONSE, IF ANY, HAS ORS RECEIVED FROM DIALTONE &**  
14 **MORE, INC. RELATED TO PAYMENT OF THESE UNPAID SC USF**  
15 **INVOICES?**

16 A. ORS began its collection efforts in March 2011 and have continued these  
17 efforts with monthly correspondence to DTM representatives. DTM personnel  
18 handling bill payment duties changed often during 2011. In October 2011, ORS  
19 offered DTM representatives a 6-month payment plan on the outstanding balance  
20 due to the SC USF. No response was provided by DTM officers and no payment  
21 has been received.

22 **Q. IS DIALTONE & MORE, INC. IN COMPLIANCE WITH COMMISSION**  
23 **RULES AND REGULATIONS?**

1 A. No. In addition to SC USF payments, DTM is out of compliance with  
2 dual party relay reporting and payments, gross receipts payments, quarterly  
3 quality of service reports, performance bond and regulations concerning customer  
4 relations. According to the Secretary of State, DTM dissolved its corporate  
5 standing in July 2011. Customers have reported to ORS that DTM's telephone  
6 number for customer and repair service is not operational.

7 **Q. IS DIALTONE & MORE, INC. PROVIDING SERVICE TO ITS**  
8 **CUSTOMERS?**

9 A. ORS has received notice from AT&T South Carolina, in accordance with  
10 Commission Order No. 2006-76, that AT&T South Carolina intends to disconnect  
11 service to DialTone & More, Inc. for nonpayment of wholesale services on March  
12 1, 2012. DTM has not responded to ORS inquiry regarding DTM's intentions to  
13 provide customer notice and remove of all preferred carrier freezes. DTM has  
14 approximately 5,700 DTM customers in SC.

15 In an abundance of caution, ORS has issued a consumer alert to the media  
16 to notify customers of the potential they may experience an abrupt service  
17 termination.

18 **Q. WHAT ACTION DOES THE ORS RECOMMEND THAT THE**  
19 **COMMISSION TAKE?**

20 A. The ORS recommends that the Commission take the following actions:

21 1) Require DTM to remove all preferred carrier freezes from customer  
22 accounts;

1                           2) Require DTM to pay the \$41, 519.86 to the SC USF within 5 business  
2                           days of this order and;

3                           3) Revoke the Certificate of Public Convenience and Necessity for DTM;

4   **Q.     DOES THAT CONCLUDE YOUR TESTIMONY?**

5   **A.             Yes it does.**

Exhibit A  
Docket No. 2012-29-C  
DialTone More, Incorporated  
Detail of Unpaid SC Universal Service Fund Invoices Late Fees

February 22, 2012

Company Name	Invoice Number	Invoice Date	Invoice Amount	Type of Invoice
DialTone & More, Inc.	90030205	12/16/2010	(\$43.00)	DTM Overpayment
DialTone & More, Inc.	2300001028	3/15/2011	\$13.81	Late Fee Invoice
DialTone & More, Inc.	2300001312	6/15/2011	\$15.93	Late Fee Invoice
DialTone & More, Inc.	2300001307	6/15/2011	\$48.86	Late Fee Invoice
DialTone & More, Inc.	2300001302	6/15/2011	\$80.73	Late Fee Invoice
DialTone & More, Inc.	2300001414	7/15/2011	\$15.93	Late Fee Invoice
DialTone & More, Inc.	2300001312	7/15/2011	\$31.87	Late Fee Invoice
DialTone & More, Inc.	2300001307	7/15/2011	\$31.87	Late Fee Invoice
DialTone & More, Inc.	2300001302	7/15/2011	\$31.87	Late Fee Invoice
DialTone & More, Inc.	90044982	8/15/2011	\$15.93	Late Fee Invoice
DialTone & More, Inc.	2300001414	8/15/2011	\$32.93	Late Fee Invoice
DialTone & More, Inc.	2300001312	8/15/2011	\$32.93	Late Fee Invoice
DialTone & More, Inc.	2300001307	8/15/2011	\$32.93	Late Fee Invoice
DialTone & More, Inc.	2300001302	8/15/2011	\$32.93	Late Fee Invoice
DialTone & More, Inc.	90048015	10/15/2011	\$47.80	Late Fee Invoice
DialTone & More, Inc.	90044982	10/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001414	10/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001312	10/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001307	10/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001302	10/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	90056373	12/15/2011	\$15.93	Late Fee Invoice
DialTone & More, Inc.	90053474	12/15/2011	\$47.80	Late Fee Invoice
DialTone & More, Inc.	90048015	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	90044982	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001414	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001312	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001307	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	2300001302	12/15/2011	\$64.80	Late Fee Invoice
DialTone & More, Inc.	90058624	1/15/2012	\$15.89	Late Fee Invoice
DialTone & More, Inc.	90056373	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	90053474	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	90048015	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	90044982	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	2300001414	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	2300001312	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	2300001307	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	2300001302	1/15/2012	\$32.89	Late Fee Invoice
DialTone & More, Inc.	90034561	2/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90036775	3/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90039840	4/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90042641	5/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90044982	6/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90048015	7/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90053474	9/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90056373	10/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90058624	11/1/2011	\$2,154.00	Monthly Invoice
DialTone & More, Inc.	90062707	12/15/2011	\$6,885.00	Monthly Invoice
DialTone & More, Inc.	90063812	1/1/2012	\$6,885.00	Monthly Invoice
DialTone & More, Inc.	90066327	2/1/2012	\$6,885.00	Monthly Invoice
<b>Total Due to SC USF from DialTone &amp; More, Inc.</b>			<b>\$41,519.86</b>	


**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2012-29-C**

IN RE: Petition of the Office of Regulatory Staff for	)	
Commission to Order a Rule to Show Cause	)	
as to Why the Certificates of Public	)	<b>CERTIFICATE OF</b>
Convenience and Necessity of DialTone &	)	<b>SERVICE</b>
More, Incorporated Should Not Be Revoked	)	
for Failure to Pay Into the USF	)	

This is to certify that I, Faith E. Shehane, have this date served one (1) copy of the **Direct Testimony and Exhibit of Dawn M. Hipp** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

DialTone & More, Incorporated  
6905 North Wickham Road, Suite 403  
Melbourne, FL 32940

National Registration Agents, Inc.  
Registered Agent for DialTone & More, Inc.  
2 Office Park Ct., Suite 103  
Columbia, SC 29223

  
Faith E. Shehane

February 22, 2012  
Columbia, South Carolina